

**Supplemental Reporting Document
Table of Contents
October 2005 Investment Committee Meeting
(August 2005 Reporting Period)**

Activity Reports

Alternative Investment Management (AIM) Program Activity Report
Risk Managed Absolute Return Strategies Program Activity Report
Real Estate Opportunistic Program Activity Report

B

Investment Office

P.O. Box 2749

Sacramento, CA 95812-2749

Telecommunications Device for the Deaf - (916) 795-3240

(916) 795-3400 FAX (916) 795-3344

October 17, 2005

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Activity Reports
- II. PROGRAMS:** Alternative Investment Management (AIM)
Risk Managed Absolute Return Strategies (RMARS)
Real Estate Opportunistic (REO)
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

Staff from AIM, RMARS, and REO are required to report the status of investment proposals received by their respective program on a monthly basis. Staff from these areas have prepared activity reports for the month of August 2005.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

Members of the Investment Committee
October 17, 2005
Page 2

VI. RESULTS:

Attached are results containing the status of investment proposals received by AIM, RMARS, and REO.

Greg Hood
Division Chief, Investment Office

Anne Stausboll
Assistant Executive Officer

Mark Anson
Chief Investment Officer



***** OPEN SESSION MATERIAL *****
AIM PROGRAM
SUMMARY MONTHLY REPORT: PROPOSALS IN PROCESS
REPORT PERIOD: 8/1/2005 TO 8/31/2005

ACTIVITY SUMMARIZED	ACTIVITY FOR REPORT PERIOD	2002	2003	2004	2005 YTD	Since Program Inception
<u>INVESTMENT ACTIVITY</u>						
Investment Proposals Received	16	251	298	381	195	5660
Declined/Referred/Failed to Materialize	14	260	206	223	281	4444
Deals in Screening	106	251	298	397	196	2673
Due Diligence Reviews	26	17	25	65	39	485
<u>AMOUNTS (\$ in millions)</u>						
Authorized	\$1,440.0	\$531.0	\$995.0	\$1,697.5	3368	\$26,776.3

Notes:

- Current YTD information is through the end of the report period.
- Deals in Screening and Due Diligence reviews for the activity report period represent deals remaining in Screening and Due Diligence at the end of the report period. For all other time periods, deals in Screening and Due Diligence represent deals which entered Screening or Due Diligence during that time period.

August 2005

MANAGER ACTIVITY	2001	2002	2003	2004	2005	Since Program Inception
Information Received	88	170	181	59	42	540
Declined	34	81	108	11	0	234
Screening	48	80	72	45	42	287
Full Due Dilligence Review	0	15	1	5	9	30
Approved by ARS Board	0	13	1	5	9	28
MANAGER AMOUNTS (\$ in millions)						
Funded	\$0	\$485	\$95	\$149	\$278	\$1,006

**Real Estate Investment Office
Opportunistic/International Fund Program
August 31, 2005**

Fund Name	Product Type	Sector		Allocation Committed		Net Expected Return
Rockpoint	Distressed/Office, Multifamily, etc	Opportunistic		\$50,000,000		15 -17%
GI Partners Fund II	Asset-Intensive Entity Investment	Opportunistic		\$500,000,000		18 - 20%
		Total		\$550,000,000		